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# INFORMATION REPORT

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SUPPLEMENT TO  
REPORT NO.

**CONFIDENTIAL**

**SUBJECT** Smuggling Between South Korea and  
Communist-Controlled China

PLACE 25X1A

ACQUIRED

25X1A

DATE OF INFO.  
25X1X

25X1X

1. Three members of the [REDACTED] are suspected of engaging in smuggling activities between South Korea and Chinese Communist-occupied areas for the purpose of securing funds [REDACTED]. They purchased gasoline and machines in Seoul and smuggled them by motor boat from Kumpo (126-42, 27-38) by way of Inchon (126-38, 37-28) to Shihtao (122-25, 36-53), an island lying east of the Shantung Peninsula. There they bartered the goods to the Chinese troops stationed in the area for American-made cotton cloth which the troops had as war booty. 25X1X
2. Upon their return to Seoul, they took the cotton goods in two trucks to the warehouse of a leather store where they kept them for a short time. Later the cloth was sold, at a considerable profit, to cotton dealers in Seoul. These transactions were believed to have taken place from September to November 1948; similar activities are suspected at later dates.
3. Some kind of agreement was also concluded between the three smugglers and the Chinese Communist authorities, according to which the Koreans were to perform the following:

Compile a list of the heads of police bureaus in South Korea.

Compile a list of the principal officers in the South Korean army.

Conduct agitation for early withdrawal of American troops from Korea.

Maintain constant struggles against the United Nations Commission on Korea.

This document is hereby regraded to  
**CONFIDENTIAL** in accordance with the  
letter of 13 October 1978 from the  
Director of Central Intelligence to the  
Archivist of the United States.  
Next Review Date: 2008

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